

Indo Rama Synthetics to enhance capacity

Expected to invest around Rs 1,000 crore over four years

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After achieving a production capacity of 6,00,000 tonnes of polyester staple fibre, filament yarns, textured yarns and textile grade chips at its Butibori plant in Nagpur, Indo Rama Synthetics (IRSL) is eyeing an increase in its manufacturing capacity. The company is planning to set up a new purified terephthalic acid (PTA) plant near Mangalore and is planning to bid for bigger power projects.

In an exclusive interaction with *Business Standard*, IRSL chairman and managing director O P Lohia said, "As ONGC, IOC and MRPL are planning to set up a paraxylene plant in Mangalore, PTA, which is a raw material for manufacturing polyester and a by-product of paraxylene, will be available in plenty. So, it would be wise to set up a manufacturing facility there."

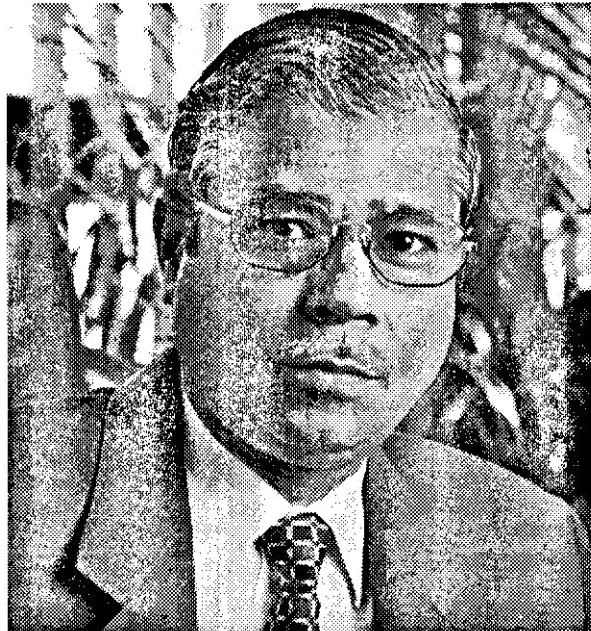
With Oil and Natural Gas Corporation (ONGC), Indian Oil Corporation (IOC) and Man-

galore Refinery and Petrochemicals (MRPL) setting up paraxylene plants in Mangalore, the city will become a petrochemical hub in five years.

Lohia pointed out that it will be unviable to open a small-sized PTA plant. IRSL will thus establish a plant with an annual polyester manufacturing capacity of 2,00,000-3,00,000 tonnes. The company is expected to invest around Rs 1,000 crore for setting up the PTA plant over a period of four years, company sources said. The valuation of IRSL is over Rs 2,000 crore, according to current estimates.

Lohia refrained from disclosing the name of the partner for setting up the PTA plant near Mangalore. "We are waiting for the state government to assume office in Karnataka so that we get the clearance", Lohia said.

The company is also planning to venture into the power sector in a move towards diversification. IRSL has set up a coal-based power station with a capacity of 100 mw at an investment of around Rs 140 crore



O P Lohia, chairman and managing director, IRSL

near Nagpur. Some portion of the power is sold to Maharashtra State Electricity Board to meet the power supply requirements in the region.

Lohia said, "As we are experienced in developing and running a power plant, we are planning to enter the power generation sector."